

**Remarks Given by
Lieutenant Governor Becky Skillman
June 15, 2007, Indianapolis, IN
Indiana Economic Development Association
Summer Conference**

Today is June 15, and supposedly, on this date, Benjamin Franklin conducted his fateful experiment with electricity. The folklore goes that he took his kite out into a storm because he was certain he could prove something about the mystery of lightning. So he stood there with his kite and waited. And eventually, he got the answers he was looking for.

He was certain that he could prove something with his eccentric experiment. And his risk paid off. He invented the lightning rod, saving millions of properties from the “mischief” as he put it—of fires caused by lightning. The lightning rod was a simple device that focused the power of lightning and diffused it.

It’s interesting that we would meet on the anniversary of such an unconventional, bold move. It’s interesting because, in our own way, we are standing in the rain, holding our own kites. We may not be out to prove any great scientific truth, but we’re meeting here today because we are certain of something. We are certain that we can discover something BIG for Indiana’s economy by taking the calculated risk or road less traveled—while working together!

Public-private partnerships aren’t part of conventional wisdom. But we’ve got a responsibility to think outside the box and keep our state moving forward. Benjamin Franklin was a brilliant, strange man. He took risks and opened doors to prosperity for his era. There’s nothing we can’t accomplish by taking a bit of a risk, doing something a bit out of the ordinary, and working together.

I’m a firm believer in that. We are experiencing a rebirth of sorts in Indiana, due, in no small part, to a statewide emphasis on new partnerships. Public and private working together, not at odds with each other—it is paying off. I want to thank you for your role in those partnerships. We need your continued leadership as Indiana gains momentum.

You are, after all, the people who are driving change in our communities. You are the ones who are not afraid of the work that is required to keep Indiana's economic engine running. It's been said that opportunity is often missed because it shows up on your doorstep dressed in overalls and looks like work! But I have met very few Hoosiers who balk at hard work.

ECONOMIC DEVELOPMENT

The evidence that our ideas are working comes every day. Since the Governor and I assumed office, we've participated in groundbreakings and announcements all over the state with you. It's always exciting to look around at those events and realize this is where more Hoosiers will be working in just a few months. It makes the progress tangible.

In the past month, I have been on the road a lot. I was in Remington for a new Advance Auto Parts distribution center groundbreaking. I was back in my hometown of Bedford for the Gen Motors investment announcement. And in Fort Wayne, I talked to a very interesting company that wants to bring an on-demand air taxi service to our state, adding the highway in the sky to Indiana's robust infrastructure.

One of the best stops I made was to speak at the Advanced Manufacturing Summit at Purdue. Talk about a motivated crowd! The business people who attended that conference are on the cutting edge of one of Indiana's prime economic drivers. I had the opportunity to talk to them about the great ways we are helping companies grow in Indiana.

In 2005, Indiana manufacturing facilities produced more than \$66 billion worth of goods. That is \$17 billion more than we produced in 1997. This increased productivity is remarkable, and a real tribute to the resourcefulness and work ethic of Indiana manufacturing companies and their workers. The downside of that productivity has been job loss. As companies get more efficient and technology helps workers do more, fewer workers are needed.

That's just one of the reasons the Governor and I are so committed to bringing new jobs and diversifying the state's economy beyond manufacturing. And Indiana has lots of areas that are ripe for growth.

For example, the potential of Indiana's defense assets. Indiana is most often noted for producing four things: hogs, corn, auto parts, and politicians. But

there's more to Indiana than meets the eye! Indiana is capitalizing on its military and defense assets, and that's producing more defense jobs.

We're soon to be known for the nation's premier urban training center for the U.S. Army at Muscatatuck. I spent a day there recently while they were staging one of the nation's largest disaster preparedness drills. I watched firefighters, police and emergency management personnel from Indiana work shoulder-to-shoulder with National Guard members from several states. They rescued "victims" from the rubble of buildings, decontaminated them and triaged them for medical care. They compiled data from the scene of the mock disaster, tested the effectiveness of their communications equipment and managed the movement of personnel assisting in the crisis.

It was both impressive and sobering to watch. And it reinforced for me the tremendous assets we have in place and the potential they hold. Not that long ago, Muscatatuck was an abandoned place. It has been transformed by vision, ingenuity and hard work.

In addition to the military facilities we have all over the state, we have hundreds of Hoosier companies—many of them small companies—that are working with defense contracts as their bread and butter.

In 2006, approximately 1,500 Hoosiers businesses and educational institutions did business with the U.S. Department of Defense, NASA and the U.S. Department of Homeland Security. That business totaled \$4.6 billion in government contracts in 2006.

We have well-known companies like Raytheon in Ft. Wayne and Rolls Royce in Indianapolis. But we also have hundreds of lesser-known companies like:

- Extreme ADS Limited in Anderson, which provides bioengineering life sciences
- Lite Machines in West Lafayette at the Purdue Research Park. They started out making remote control helicopters for hobbyists and now sell them to the military to the tune of \$2.3M.
- Last year, right here in Dubois County, we captured \$12M in federal defense contracts.

As you can see, the development of our defense assets helps small businesses and rural communities, too.

Right now, the Central Indiana Corporate Partnership is undertaking a study of all of the defense assets in Indiana. Their goal is to develop regional strategic plans that draw on the strength of each region to grow Indiana's share of the billions of dollars in defense contracts that are available. Next week they are holding a series of regional input sessions, and soon they will share their ideas with the rest of the state.

Our Office of Energy and Defense has been working with CICP and eagerly anticipating the results of this study. They will use the information to improve their efforts to bring more of this business to Indiana.

ACCOMPLISHMENTS

Public and private sectors each have their part to play in growth. I'm proud that state government managed to accomplish some important goals during this past legislative session.

The most important legislation we passed was the budget. It turned out to be a big win for Hoosiers. Keeping the budget balanced—spending less than we earn—is critical to Indiana's economic future. This budget is honestly balanced. It has no gimmicks, no general tax increases.

For the first time in many years, Indiana is enjoying the benefits of responsible spending. We turned the deficit into a substantial surplus. We've paid back our debts to public education, and cut spending everywhere we can.

The budget is a huge piece of Indiana's economic comeback. There's a reason Mitch was known as "the Blade" in Washington. He cuts out waste at every turn. The state has negotiated new contracts, sold aircraft and vehicles we didn't need and collected delinquent taxes. You name it, we have done it. And as a result, we've saved taxpayers millions of dollars. And many of those dollars have gone to boost our economic development efforts.

A balanced budget, a reformed perspective on spending, and a healthy surplus all led to an improved credit rating for Indiana for the first time in five years. That improved credit rating has helped us attract and retain the business that is the lifeblood of our state. Businesses like yours.

HEALTH CARE

But we can do more. We know that, and so we tackled the issue of health care as well. Hundreds of thousands of our fellow Hoosiers don't have access to health care insurance. It's a problem that affects all Hoosiers, but it especially impacts the business community.

You see, when someone without insurance goes to the emergency room at our hospitals, those of us with health coverage foot the bill. As health care providers shift the cost of their losses, you and I pay the tab with higher premiums for our insurance. Small businesses that are trying to provide coverage to employees feel the brunt of that cost.

The health care legislation we passed this year was the most important of our lifetime. Small employers now have access to important new tax credits. And the door is open for the state to create the option of letting small employers pool together to buy group insurance at better rates.

We can now provide health coverage for more than 130,000 additional Hoosiers, and support our economic future at the same time. We can reduce smoking rates, especially among kids, and immunize more children. Our plan emphasizes personal responsibility for good health care choices.

The benefits of this bill reach from our schools to our small businesses, with coverage for uninsured children, and tax relief for small business owners looking to provide health insurance, and to provide incentives for healthy living to their employees.

ECONOMIC DEVELOPMENT

The Governor and I know that health insurance and rewarding employees for healthy habits—all that is icing on the cake for any business. In order to consider offering insurance and incentives, business has to be booming. We have to be business-minded to achieve our long-range goals. That's why the economic development measures that passed the legislature are so important to our future.

Every new deal Indiana wins, every new job, every dollar of investment spurs growth. It revs up our economic engine. Your efforts contribute to the overall success of the state.

Thanks to the General Assembly, our state's Economic Development Corporation now has a High Growth Fund to attract more companies with high-skilled jobs to Indiana. We've also got new tools to encourage high-tech research with our 21st Century Research fund and important tax credits for renewable energy producers.

COMMUNITY DEVELOPMENT

Every community plays a key part in our vision. Almost half of Hoosiers call rural Indiana home. Our small cities and towns boast some of the richest resources and some of the most interesting parts of our heritage, and we have never been so well equipped to develop those assets.

The Governor and I have a vision for Indiana's revitalization and that includes progress for EVERY Hoosier community—large and small. My personal vision for a complete economic recovery involves a pro-business environment in every city and town, no matter how big or how small. Engaging our resources is critical to Indiana's future. Our broad-based, inclusive strategy for rural development is already helping us achieve that goal.

Earlier, David Terrell from OCRA talked about the HomeTown Competitiveness program, the Sustainable Communities programs, and OCRA's efforts to engage local community foundations in economic development efforts. These are just a few of the ways we have opened doors for local economic development leaders. I want to echo David, and encourage you to develop aggressive, innovative strategies for your communities. Build partnerships, take advantage of the tools and programs we've put together, engage your local philanthropists and think creatively.

Our economic recovery must include all Hoosiers. If we are going to continue to have a growing state-wide economy, we must have a thriving rural economy. We need YOU to be the hands and feet of progress.

CONCLUSION

Indiana is in the heartland of America. And America is a country that prides herself in her heroes. I hope you see yourselves as heroes. Perhaps you are not the traditional "hero," but as entrepreneurs, as the leaders who pursue opportunity, you take on a risk for the benefit of all the rest of us. Your ventures make us prosper and bring us jobs!

So thank you for taking on that heroic role. It may not seem so special to you. After all, you are getting your own piece of the pie—I hope. But it means a lot to the working family that finds employment because you chose to do the work of investing and planning.

I've said it before, and I'll say it again. It is ultimately up to YOU to bring about Indiana's economic revitalization. We're providing the environment for success. But YOU are the ones who have the power to take action and effect change.

Thank you for all you do. We look forward to continuing to work with you to bring even greater success.